

**MINUTES OF THE EMERALD COAST UTILITIES AUTHORITY BOARD MEETING
HELD THURSDAY, OCTOBER 27, 2016 AT 2:00 P.M. IN THE ECUA BOARD
ROOM AT 9255 STURDEVANT STREET, ELLYSON INDUSTRIAL PARK,
PENSACOLA, FL**

Members present: Dale Perkins, Vice Chairman
Vicki Campbell
Elvin McCorvey
Larry Walker

Members absent: Lois Benson, Chairman

Counsel present: Bradley S. Odom

Staff present: Stephen E. Sorrell, Executive Director
Nathalie Bowers, Public Information Officer
Tim Haag, Director of Government Affairs
Linda Iversen, Executive Assistant to the Board
Bill Johnson, Director of Engineering
Don Palmer, Director of Wastewater Reclamation
Jim Roberts, Public Information Officer
Patricia Sheldon, Director of Finance

ITEM 1 – INVOCATION AND PLEDGE OF ALLEGIANCE

Prior to calling the regular meeting of the Board to order, Dr. Walker provided the invocation and led the Pledge of Allegiance.

ITEM 2 – CALL TO ORDER

In the absence of Chairman Benson, Vice Chairman Perkins called the regular meeting of the Emerald Coast Utilities Authority Board to order at approximately 2:00 p.m.

ITEM 3 – ADOPTION OF AGENDA

Dr. Walker added the following items to the agenda:

- (1) Customer Service
- (2) Water and wastewater funding
- (3) Styrofoam

Mr. Sorrell advised that attachments to Items 9(i) and (f) were before the Board. Mr. Sorrell also added item 13(a) - Resolution 16-15 - to the agenda. Further, Mr. Sorrell advised that on pages 78, 79, 82 and 83 the word "Guillemard" should be corrected to say "Moreno".

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Chairman Perkins requested that Item 9(h) be considered prior to Item 9(g).

A motion was made by Mr. McCorvey, seconded by Dr. Walker, to adopt the agenda as presented and amended. Motion carried 4-0.

ITEM 4 - PUBLIC HEARINGS:

- (a) 2:00 p.m. – Proposed establishment of new charges for finely screened finished compost product

Chairman Perkins convened the public hearing at approximately 2:04 p.m. There were no comments from the audience and the hearing was closed.

- (b) Adoption of Resolution 16-12

A motion was made by Mr. McCorvey, seconded by Ms. Campbell, to adopt Resolution 16-12 – A FINAL RATE SETTING RESOLUTION ESTABLISHING NEW CHARGES FOR FINELY SCREENED FINISHED COMPOST PRODUCT. Motion carried 4-0.

ITEM 5 - OPEN FORUM

(a) Ms. Wilheminia Ladd-Gadson, P. O. Box 18044, Pensacola, FL, addressed the Board concerning her property at 2315 N. Tarragona Street and her efforts relative to the provision of wastewater services to the property.

At the request of Chairman Perkins, Mr. Odom provided a brief overview of what has occurred in the past relative to the property, indicating that the property has always been connected to the sewer system which was confirmed by Habitat for Humanity, the Health Department, and ECUA. Further, there was an issue with the house lateral that is the responsibility of the owner – not ECUA.

(b) Mr. Barry Tweedie, 10395 Old Dairy Lane, Pensacola, FL, addressed the Board concerning comments made previously by Dr. Walker relative to a proposed subdivision and ECUA's acreage at the Central Water Reclamation Facility. Mr. Tweedie stated that he believes the ECUA should never consider making property available for such.

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ITEM 6 - PRESENTATIONS:

- (a) Government Finance Officers Association (GFOA) Certificate of Achievement for Excellence in Financial Reporting for fiscal year ended September 30, 2015 presented to ECUA

Chairman Perkins presented the award to Ms. Patty Sheldon, Director of Finance.

- (b) National Waste & Recycling Association awards presented to ECUA

At the request of Chairman Perkins, Mr. Sorrell presented the 2016 Best Recycling Public Education Program award to Dr. Walker and the Organics Recycler of the Year award to Ms. Campbell.

- (c) National Association of Clean Water Agencies 2015 "Gold" Peak Performance Award – Bayou Marcus Water Reclamation Facility

Mr. Don Palmer, Director of Wastewater Reclamation, recognized Bayou Marcus WRF employees - Randy Sears, Sonny Bonds and Mike Cromer, for the efforts of the Bayou Marcus WRF employees in receiving this award.

ITEM 7 - APPROVAL OF MINUTES:

A motion was made by Ms. Campbell, seconded by Mr. McCorvey, to approve the minutes of the regular Board meeting of September 29, 2016 as presented. Motion carried 4-0.

ITEM 8 - REPORT OF THE ECUA CITIZENS' ADVISORY COMMITTEE 10/19/16

A motion was made by Ms. Campbell, seconded by Dr. Walker, to approve the following recommendations for Items F. through I. as presented. Motion carried 4-0.

F. Award of Contract – Liquid Chlorine

Award a contract to Water & Waste Specialties, LLC, Theodore, Alabama, the lowest responsive bidder at a price of \$94 per cylinder, with funding from the appropriate budget line item.

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G. Award of Bid – Diesel Bypass Pumps and Storage Tanks

Reject all bids for the annual contract to rent and use additional diesel bypass pumps and liquid storage (FRAC) tanks and direct staff to rebid the contract specifying a daily/weekly/monthly rental rate, along with a price for mobilization and de-mobilization.

H. Award of Bid – Sweeney GAC Filter Piping

Award the bid for the Sweeney GAC Filter Piping to WDR Mechanical Contractors, the lowest bidder, for the base bid in the total amount of \$247,312.00, with funding through a transfer in the amount of \$285,000.00 from CIP Project RA034 to RW628.

I. Award of Purchase – New and Replacement Vehicles-Fiscal Year 2017

Approve waiving the normal purchasing procedures and utilize: the State of Texas Buyboard contract to purchase four replacement vehicles from Rush Truck Center of Mobile, AL; piggyback pricing of a Pasco County, FL, competitive bid contract to purchase five additional vehicles from Hub City Ford of Crestview, FL; purchase of two sludge trailers from Spector Manufacturing based on the lowest bid price received; and purchase of a used 2015 Volvo compressed natural gas (CNG) semi-tractor from Corridor Clean Fuels, LLC, of Albertville, AL. The total purchase price for these 12 vehicles for the fiscal year 2017 vehicle replacement project is \$1,463,990.88, which is approved and available in the fiscal year 2017 CIP budget for vehicle replacement, from CIP Project RA708. Staff is also requesting that all vehicles listed in the attachment for replacement be declared surplus and approved to be auctioned once the replacement vehicles are delivered.

ITEM 9 - OPERATIONAL ITEMS:

(a) Utility System Refunding Revenue Note, Series 2016

A motion was made by Dr. Walker, seconded by Mr. McCorvey, to authorize the issuance of Bank Loan Series 2016 in the par amount of \$33,115,000, bearing an interest rate of 2.11% and a maturity of January 1, 2032. This bank loan provides for the refunding of the Series 2006B Revenue Bonds, and new money in the amount of \$15 million. Additionally, we request the fiscal year 2017 Operating budget be amended to reflect additional funds of \$5 million in loan proceeds to fund the approved CIP projects at \$20 million and to authorize the Executive Director or his designee to sign related documents as required. Motion carried 4-0.

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(b) Adoption of Resolution 16-13

Mr. Draper of Bryant, Miller & Olive provided an overview of the resolution and bank loan, stating that closing on the loan will occur on November 1, 2016.

Mr. Sorrell provided an overview of how the CIP budget relates to the loan.

A motion was made by Ms. Campbell, seconded by Dr. Walker, to adopt Resolution 16-13 - A RESOLUTION AUTHORIZING THE ISSUANCE OF NOT TO EXCEED \$33,115,000 EMERALD COAST UTILITIES AUTHORITY UTILITY SYSTEM REFUNDING REVENUE NOTE, SERIES 2016, TO CURRENTLY REFUND ALL OF THE AUTHORITY'S OUTSTANDING UTILITY SYSTEM REFUNDING REVENUE BONDS, SERIES 2006B AND FINANCING AND/OR REIMBURSING THE COST OF THE DESIGN, PERMITTING, ACQUISITION, CONSTRUCTION AND EQUIPPING OF CERTAIN CAPITAL IMPROVEMENTS TO THE SYSTEM, PROVIDING FOR THE PAYMENT OF SUCH NOTE FROM THE PLEDGED REVENUES ON PARITY WITH CERTAIN OBLIGATIONS HERETOFORE ISSUED BY THE AUTHORITY; PROVIDING FOR THE SALE AND APPROVAL OF THE FORM OF SUCH NOTE; APPOINTING A PAYING AGENT AND BOND REGISTRAR FOR THE SERIES 2016 NOTE; APPOINTING AN ESCROW HOLDER AND APPROVING THE FORM OF AND AUTHORIZING THE EXECUTION OF AN ESCROW DEPOSIT AGREEMENT; MAKING OTHER COVENANTS AND AGREEMENTS IN CONNECTION THEREWITH; PROVIDING CERTAIN OTHER MATTERS IN CONNECTION THEREWITH; AND PROVIDING AN EFFECTIVE DATE. Motion carried 4-0.

Chairman Perkins recessed the meeting at approximately 2:38 p.m. for document signing related to the bank loan. The meeting was reconvened at 2:49 p.m.

(c) Award of bid - Escambia County CDBG Fire Hydrant Program - 2015 Program Year

A motion was made by Dr. Walker, seconded by Mr. McCorvey, to reject all bids for CIP Project RW909N, Escambia County CDBG Fire Hydrant Program - 2015 Program Year, and direct the staff to revise the bid package to include the appropriate bid provisions and re-advertise for bids. Motion carried 4-0.

(d) Award of bid - Piping modifications - Transmission Main Interruption Response Plan

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A motion was made by Ms. Campbell, seconded by Mr. McCorvey, to (a) waive all informalities in the bid received from Brown Construction of Northwest Florida, Inc., Pensacola, Florida; (b) award a contract to Brown Construction of Northwest Florida, Inc., Pensacola, Florida, the low bidder, in the total amount of \$1,919,709.90 for the Piping Modifications – CIP Project CS415C; and (c) authorize the transfer of funds in the amount of \$1,975,000.00 from CWRP Transmission Main Interruption Response Plan (CIP CS415) to CIP Project CS415C. Motion carried 4-0.

(e) Budget amendment – water and wastewater and sanitation system

A motion was made by Mr. McCorvey, seconded by Dr. Walker, to approve the following budget amendment in the not-to-exceed amounts for the Water and Wastewater Systems and Sanitation System for fiscal year 2016. Motion carried 4-0.

Sources:

Water and Wastewater System	
Monthly Charges-Water	\$ (1,575,175)
Monthly Charges-Wastewater	(2,465,740)
Connection Fees	34,900
Sewer Improvement Fees	31,000
Impact Fees	1,006,990
Grant Funds	1,390,275
Interest Income	572,960
Other Income	63,924
Project Contingency	1,027,534
Sanitation System	
Sanitation-Residential	1,026,422
Sanitation-Commercial	358,259
Recyclables	(128,480)
Interest Income	1,787
Other Income	47,196
Composting	(377,555)

Uses:

Water and Wastewater System	
Operating Expenditures	1,163,779
Project Contingency	(1,077,111)

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Sanitation System

Operating Expenditures
Unrestricted Reserves

1,317,348
(389,719)

- (f) Amendment No. 1 – Interlocal cost-sharing agreement –
Beach Haven Northeast drainage and sanitary sewer project,
Phase 1

A motion was made by Dr. Walker, seconded by Mr. McCorvey, to authorize the Executive Director to execute the proposed Amendment No. 1 to the Interlocal Cost-Sharing Agreement between ECUA and Escambia County for the Beach Haven Northeast Drainage and Sanitary Sewer Project Phase I, to reimburse the County for up to \$3,562,947.75, and authorize a project budget of \$3,850,232 with funding from CIP Project CS318D and a transfer of \$315,000 from CS318P. Motion carried 4-0.

Although reflected in agenda order in these minutes, Item 9(h) was considered prior to Item 9(g).

- (g) Adoption of Resolution 16-14

A motion was made by Dr. Walker, seconded by Mr. McCorvey, to adopt Resolution 16-14 - A RESOLUTION FINDING THE STRUCTURES LOCATED AT 1750 NORTH PALAFOX STREET IN PENSACOLA, FLORIDA TO BE NOT NECESSARY, USEFUL, OR PROFITABLE IN THE OPERATIONS OF THE UTILITY SYSTEMS OF THE EMERALD COAST UTILITIES AUTHORITY; AUTHORIZING ITS DEMOLITION; AND PROVIDING AN EFFECTIVE DATE. Motion carried 4-0.

- (h) Commercial structures located at 1750 North Palafox Street

A motion was made by Dr. Walker, seconded by Mr. McCorvey, to approve and concur in the findings of the Executive Director that the commercial structures on the property located at 1750 North Palafox Street in Pensacola, Florida are not necessary, useful, or profitable in the operation of the utility systems of ECUA and authorize their demolition and/or sale. Motion carried 4-0.

- (i) Sale of four-story commercial structure located at 1750 North Palafox Street

A motion was made by Mr. McCorvey, seconded by Dr. Walker, to (1) excuse/waive any requirements for listing the structure for sale or advertising and soliciting bids; (2) approve the negotiated Purchase and Sale Agreement for the sale of ECUA property located at 1750 North Palafox Street

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for \$75,000; and (3) authorize the Executive Director to execute that document. Motion carried 4-0.

ITEM 10 - INFORMATIONAL REPORTS

None.

ITEM 11 - EXECUTIVE DIRECTOR'S REPORT:

Mr. Sorrell reported that a contractor's employee was injured today at the Central Water Reclamation Facility and taken to the hospital.

Mr. Sorrell also reported that the MRF operation is going well; producing at a higher rate than what the manufacturer indicated it would, and is operating five days-per-week. Further, a video system has been installed that will permit viewing of the process.

ITEM 12 - ATTORNEY'S REPORT

Mr. Odom reported that litigation with the City of Pensacola relative to the Airport well has achieved a proposed settlement, distributing copies of the settlement agreement to the Board, and providing an overview thereof.

A motion was made by Mr. McCorvey, seconded by Dr. Walker, to approve the settlement agreement and authorize the Executive Director to execute the document. Motion carried 4-0.

Mr. Odom also advised that a complaint about employment action has received a favorable ruling.

Also, Mr. Odom stated that ECUA has begun receiving single stream recyclables (SSRs) generated by some of the commercial haulers and they have started delivering to the MRF. Further, the County will be voting tonight on extending the terms of the contract for the MRF at the landfill from three to five year.

ITEM 13 - UNFINISHED BUSINESS

(a) Adoption of Resolution 16-15

A motion was made by Mr. McCorvey, seconded by Ms. Campbell, to adopt Resolution 16-15 - A RESOLUTION FINDING THAT SPECIFIC VEHICLES WILL NO LONGER BE NECESSARY, USEFUL, OR PROFITABLE IN THE

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OPERATION OF THE UTILITY SYSTEMS OF THE ECUA UPON PLACING REPLACEMENT VEHICLES INTO SERVICE; AUTHORIZING DISPOSITION OF THOSE SURPLUS VEHICLES VIA ON-LINE PUBLIC AUCTION; PROVIDING AN EFFECTIVE DATE. Motion carried 4-0.

(b) Water and wastewater lines (Walker)

Dr. Walker expressed concerns, as he did to the CAC, about the cycle for replacement of water and wastewater lines, stating it is a concern for the entire Country in that some replacement cycles are 200-300 years.

Mr. McCorvey commented on calls that he receives from the downtown area and various water issues in that area.

ITEM 14 - NEW BUSINESS

(a) Customer Service (Walker)

Dr. Walker expressed his concerns regarding responsiveness of the Customer Service Department to customers, stating he feels that something needs to occur to make improvements as he continues to get too many complaints. Dr. Walker stated the Board needs to be mindful of this and look to staff for possible solutions.

Board members Campbell and McCorvey concurred with Dr. Walker, with Ms. Campbell indicating she would support additional training and educating new employees on the various new programs. Mr. McCorvey stated that perhaps additional employees would alleviate some of the problems, particularly with sanitation calls.

Chairman Perkins indicated he would also be in favor of additional training. Further, he feels staff will take a look at this issue and make some recommendations.

Mr. Sorrell indicated that staff is looking at the Customer Service issue and will continue to do so, and employees are being hired and trained at this time. Also, due to State of Florida legislative action, it has become more difficult to find employees with a CDL as ECUA no longer can test and train CDL drivers.

Ms. Campbell asked that Mr. Odom provide a report on what has occurred that ECUA is no longer permitted to test and grant CDLs.

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(b) Styrofoam (Walker)

Dr. Walker discussed the use of Styrofoam, stating that it is bad for the environment and cannot be recycled. Further, he suggested that ECUA not allow the use of styrofoam at any of its facilities.

Ms. Campbell suggested a public awareness campaign be utilized and that something be placed in the customer newsletter.

ITEM 15 - BOARD COMMUNICATIONS

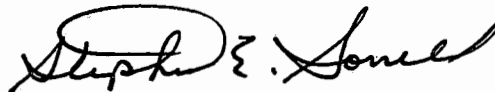
Chairman Perkins wished the best to those Board members still campaigning.

Mr. McCorvey stated he wanted to commend the Executive Director and Attorney on the sale of the property at 1750 N. Palafox.

ITEM 16 - ADJOURNMENT

There being no further business to come before the regular meeting of the Emerald Coast Utilities Authority Board, Chairman Perkins declared the meeting adjourned at approximately 3:26 p.m.

Respectfully submitted,



Stephen E. Sorrell
Executive Director and
Secretary

APPROVED BY THE ECUA BOARD
IN REGULAR SESSION ON 11/17/16.

- (X) Without corrections/amendments.
() With corrections/amendments being: